

January 30, 2008

The Honorable Barney Frank
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Frank:

On behalf of the Council of Large Public Housing Authorities (CLPHA), I am writing in support of H.R. 3521, the Public Housing Asset Management Improvement Act of 2007, and to urge passage of this sensible legislation by the U.S. House of Representatives.

Asset management is landmark program change now several years in the making. CLPHA members have made the commitment to transition to a flexible asset management system, a shift involving sweeping management and accounting changes.

Provisions in the legislation of most concern to our members are those relating to management and related fees and the prohibition on restriction of fungibility of capital fund amounts. The legislation allows:

- Housing agencies and HUD to have an expanded formal process by April 1, 2009, the basis of which is already established in the Public Housing Operating Fund Final Rule, enabling the negotiation of appropriate property management, bookkeeping and asset management fees. Once arrived upon, execution of those fees would commence in 2011; and
- Housing agencies to use a portion of their Capital Fund grant towards eligible operating expenses. This provision was first established by Congress in 1996 and reinforced in the 2008 HUD appropriations bill in recognition of housing agencies' need for funding flexibility – a need which has only increased over time.

We thank you for your leadership and support of public housing and look forward to working with you on passage of this legislation.

Sincerely,



Sunia Zaterman
Executive Director